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A better bug killer? Vestaron Corp.'s spider-venom pesticides could be on market by 2012

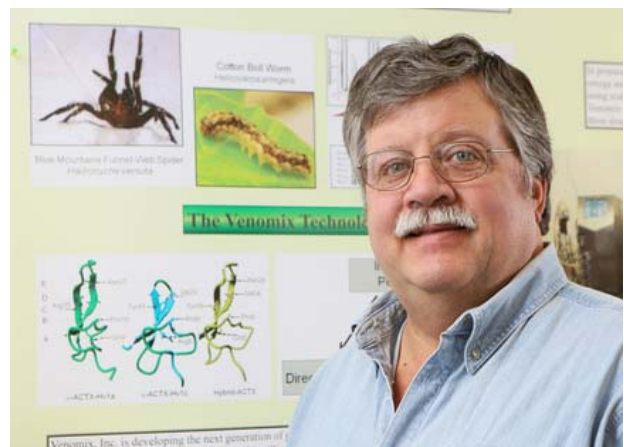
Saturday, February 21, 2010

By John Perney | Special to the Kalamazoo Gazette

KALAMAZOO — Research lab. Scientists. Spiders. Cue Peter Parker, right?

Well, not quite. Actually, it's not even close to a comic book storyline. While the work of startup company Vestaron Corp. may depend heavily on spider venom, there's nary an arachnid to be found in the company's workspace inside the Southwest Michigan Innovation Center.

"I think a lot of people have the vision that they're gonna find a roomful of spiders," says John McIntyre, president and chief executive officer of the nearly 5-year-old company. "But we've had only a very limited exposure to actual spiders. It's all been a technology play."



John A. Lacko | Special to the Gazette
New technology: John McIntyre is the chief executive officer of Vestaron Corp.

It's technology that results in a different approach to an age-old problem: pest control. The approach, in essence, revolves around the food chain. Those spider webs with dead bugs in the corners of your home? Not a pretty picture, but a telling one.

"For 400 million years spiders have been very good at killing insects," McIntyre says, "but their venom lacks activity against mammals, such as cats, birds and people."

Vestaron's insecticides would be more environmentally friendly than current products, because they come from nature. And they would be more effective because they kill bugs in four ways, making it more difficult for bugs to develop resistance.

Ordinary insecticides, McIntyre said, “tend to attack one of just four sites of action, so insects can very quickly develop resistance.”

Vestaron has researched the venom of the Blue Mountains funnel-web spider, native to Australia, and is developing agricultural insecticides it plans to have on the market in 2012.

Commercial and household pest-control products are also in the company’s plans down the road.

McIntyre’s team — currently 11 full-time employees — have isolated several components of spider venom, called peptides, that are responsible for killing a spider’s prey.

The 5-year-old company is developing new pesticides from spider venom to control insects such as worms and beetles. Vestaron is among 14 young life-science companies currently set up in the Innovation Center, located in Western Michigan University’s Business Technology and Research Park. In addition to getting lab space, business

services, and access to venture capital and WMU resources, the startups share certain advanced equipment and another valuable resource: employees.



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A venomous mix: Bruce Steinbaugh, of Vestaron Corp., removes solvents from a chemical reaction at the company’s laboratory in the Southwest Michigan Innovation Center in Kalamazoo. The 5-year-old company is developing new pesticides from spider venom to control insects such as worms and beetles.

“A few companies are actually sharing their part-time employees,” says Innovation Center CEO Robert DeWit, who calls collaboration “the special sauce” of the Innovation Center.

“Some companies might have more work at one time than another, and it could result in full-time work for those part-time employees,” DeWit said. “There’s a broad base of laboratory skills that transfer quite nicely from task to task.”

Tapping into the emerging green way of life is another Vestaron perk.

“The people who are doing the development work for us think it’s an important benefit to their job-related success,” McIntyre says, adding that it’s also a calling card when it comes to going out to investors for funding.

To date, money hasn’t been a problem. Vestaron has spent more than \$8 million, and is now pursuing Series B equity financing.

“We’d like to close that by the end of Q3 of 2010,” McIntyre said. “The key for those dollars would enable us to continue the scale-up process to bring us to that 2012 launch.”

As for testing, Vestaron has done greenhouse evaluations at Michigan State University, performed crop work at WMU, and conducted field trials in California, the upper Midwest, New York state and Florida. While field development and product sales teams would eventually be hired and located outside of Michigan, the company has no plans to leave Kalamazoo.

McIntyre says the company could have up to 30 employees in the area.

“Personally I’m fascinated. It’s a magnificent idea,” DeWit says of Vestaron’s work. “The idea of utilizing nature to accomplish an important task to lower the cost of goods for food production is really cool.”

And spider venom may only be the beginning. According to McIntyre, there is a lot more in nature for Vestaron to harness.

“We believe there will be a continual supply of new insecticidal material — we’re just looking at one spider,” he says. “There are also similar compounds present in other animals — snakes, scorpions, snails — and some plants. We plan to become the experts in this chemistry.”

FACT SHEET

Vestaron Corp.

WHAT: Five-year-old company developing insecticides from the venom of an Australian spider. Could have products to market by 2012.

WHERE: Southwest Michigan Innovation Center, Kalamazoo.

EMPLOYEES: 11.

WEB:
www.vestaron.com